Increase in Investment by IFC

3478. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) Whether it is a fact that the International Finance Corporation (IFC) have decided to substantially increase their investment in India during the current year itself ?

(b) if so, what are the sectors identified by the IFC for investment in India.

(c) whether it is also a fact that the IFC have submitted two reports to Government on Indian Capital markets and on comparative investment opportunities in India;

(d) if so, what are the details about these two reports; and

(e) what action Government have taken to follow the aforesaid two reports ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) International Finance Corporation (IFC) has evinced interest in increasing the level of its investment in India, some of which may fructify in the current fiscal year of the IFC which is upto 30th June, 1993. The sectors identified by the IFC for investment are the infrastructure and industry sectors especially, Power.

(c) to (e) IFC has submitted a draft report based on a survey of the Indian Capital Markets which has recommended the concept of an integrated national stock market system and strengthening of SEBI. It has also submitted a report on an assessment of foreign investment opportunities in India and has recommended steamlining of pre-approval and post-approval facilities for targeted investors. While formulating its broad policy framework, the Government of India takes into consideration our own experience, international experience and various studies on the subject including the reports prepared by the IFC.

Attracting Foreign Investments in States

3479. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that several State Governments have succeeded in attracting direct foreign investments in their respective States at their own efforts;

(b) if so, what are the details of State-wise approvals of direct foreign investments since the policy of economic liberalisation;

(c) whether Government are evolving any unified foreign investment policy so as to ensure that the investment proposals sent to State Governments are in consistence with the national policy; and

(d) whether investment proposals are being guaranteed by the Central Government ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTRY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) Foreign direct investment approvals are regulated by Statement on Industrial Policy tabled in both Houses of Parliament on 24-07-1991. Further foriegn collaboration data State-wise is not maintained. However, Government of India maintains data on country-wise inflow of foreign direct investment.

(c) Policy on direct foreign investment is uniformally applicable to all the States.

(d) Government normally provides guarantees only for loans taken from multilateral sources.

The Government does not generally extend sovereign guarantees to borrowings by enterprises.

Opening of Stock Exchanges

3480. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that in the absence of recognised stock exchanges in several cities unauthorised stock trading takes place;